



CITY COUNCIL

AGENDA BILL # AB22-0045

City of Algona
 200 Washington Blvd.
 Algona, WA 98001

ITEM INFORMATION			
SUBJECT: Preliminary Budget - 2023	Agenda Date: September 26, 2022		
	Department/Committee/Individual	Created	Reviewed
	Mayor		
	City Administrator		X
	City Attorney		
	City Clerk		X
	Finance Dept		
	PW/Utilities		
	Planning Dept		
	Community Services		
Cost Impact:	Police Dept		
Fund Source:	Finance Committee		
Timeline:	Planning Commission		
	Civil Service Committee		
Staff Contact: Dana Parker, Deputy City Clerk			
Attachments:			
SUMMARY STATEMENT: Preliminary budget by fund - 2023			
COMMITTEE REVIEW AND RECOMMENDATION:			
RECOMMENDED ACTION: First Review			
RECORD OF COUNCIL ACTION			
<i>Meeting Date:</i>	<i>Action:</i>	<i>Vote:</i>	

To: Mayor Dave Hill and City Council Members

From: Tara Dunford, CPA

Date: September 26, 2022

Re: Preliminary budget - 2023

ATTACHMENTS: Preliminary budget by fund - 2023

TYPE OF ACTION: None. Discussion only.

Discussion:

The preliminary budget includes the following assumptions and items of note:

- Taxes (General Fund) – projected increase of 8% (approx. \$164k)
- Intergovernmental revenue (General Fund) – decrease of \$448k due to ARPA funds included in 2022 budget and not in 2023 budget.
- Medical insurance premiums - increase of 7%
- Valley communications – 6% increase
- Jail contract – 5% increase
- Channel 21 equipment - \$5k (budget retreat priority)
- Stormwater capital (drainage) - \$196k (budget retreat priority)
- Water main replacement (capital fund) - \$564k, partially grant funded
- New part-time position – Mayor’s Assistant – estimated cost \$31.5k
- New part-time position – Community Services – estimated cost \$31.5k (budget retreat priority)
- Decrease in General Fund balance reflects continued use of ARPA to fund 50% of the Community Connector position.
- Cost of living (COLA) adjustments – currently set at zero percent pending settlement of union contracts. When COLA adjustments are known, the preliminary budget numbers will need to be adjusted and cuts to General Fund expenditures will be necessary to balance the budget. The cost of COLA adjustments at various levels are as follows:

<u>Fund</u>	<u>1%</u>	<u>2%</u>	<u>3%</u>	<u>4%</u>	<u>5%</u>	<u>6%</u>	<u>7%</u>	<u>8%</u>	<u>9%</u>	<u>10%</u>
General Fund & Streets	14,302	28,604	42,906	57,208	71,510	85,812	100,114	114,416	128,718	143,020
Storm	1,785	3,570	5,355	7,140	8,925	10,710	12,495	14,280	16,065	17,850
Water	1,251	2,502	3,753	5,004	6,255	7,506	8,757	10,008	11,259	12,510
Sewer	847	1,694	2,541	3,388	4,235	5,082	5,929	6,776	7,623	8,470
Total Impact	<u>18,185</u>	<u>36,370</u>	<u>54,555</u>	<u>72,740</u>	<u>90,925</u>	<u>109,110</u>	<u>127,295</u>	<u>145,480</u>	<u>163,665</u>	<u>181,850</u>

City of Algona
2023 Preliminary Budget
 Presented September 26, 2022

2023 Preliminary Budget Summary

<u>Fund</u>	<u>Beginning Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Increase (Decrease)</u>	<u>Ending Fund Balance</u>
General	756,341	3,043,610	3,103,260	(59,650)	696,691
Drug	6,677	1,000	2,200	(1,200)	5,477
Street	14,535	400,900	400,900	-	14,535
Contingency/Rainy Day Fund	321,465	-	-	-	321,465
Capital Improvement	418,170	100,000	315,000	(215,000)	203,170
Park Impact	136,680	36,000	-	36,000	172,680
General Obligation Bond	7,003	315,000	319,000	(4,000)	3,003
Stormwater Management	1,635,864	447,000	360,100	86,900	1,722,764
Water Maintenance	1,113,223	899,000	813,550	85,450	1,198,673
Sewer Maintenance	662,504	1,312,000	1,240,650	71,350	733,854
Water Capital Improvement	585,673	297,100	564,000	(266,900)	318,773
Sewer Capital Improvement	334,470	-	-	-	334,470
Stormwater Capital Improvement	196,071	-	196,000	(196,000)	71
Equipment Replacement Fund	777,300	124,200	126,800	(2,600)	774,700
Unemployment Trust	4,673	-	-	-	4,673
Explorers Program	27,415	-	-	-	27,415
Total	6,998,064	6,975,810	7,441,460	(465,650)	6,532,414

General Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	1,571,673	1,183,198	698,176	891,994	756,341
310	Taxes	1,916,637	1,852,185	1,893,871	2,126,643	2,204,310
320	Licenses & Permits	227,235	255,758	294,163	326,480	326,500
330	Intergovernmental Revenues	124,734	272,026	651,342	678,743	248,400
340	Charges For Services	43,823	46,683	119,420	205,273	164,600
350	Fines & Forfeitures	14,425	57,497	38,682	65,175	65,100
360	Misc Revenues	90,826	118,195	48,996	34,714	34,700
380	Non Revenues	2,290	2,832	2,254	-	-
	Total Revenues	2,419,970	2,605,177	3,048,728	3,437,028	3,043,610
511	Legislative	24,083	33,321	27,521	17,440	19,200
512	Judicial	76,341	79,816	73,426	95,000	95,000
513	Executive	67,287	62,252	28,449	28,616	51,050
514	Finance	235,338	264,710	303,369	285,378	265,800
515	Legal Services	54,851	62,891	47,743	39,971	40,000
518	Central Services	85,778	90,003	107,163	104,102	103,500
521	Law Enforcement	1,330,737	1,310,641	1,335,923	1,605,676	1,482,000
523	Jail Costs	55,390	78,732	33,717	101,166	106,750
524	Protective Inspections	16,981	14,812	79	-	-
528	Comm/Alarms/Dispatch	154,627	156,059	182,635	155,499	182,320
537	Garbage & Solid Waste Utilities	17,213	18,895	16,375	30,645	33,500
553	Conservation	16,118	5,410	5,124	5,678	8,000
554	Environmental Services	13,675	14,435	14,361	14,965	18,000
558	Planning & Community Devel	211,699	357,413	297,462	334,887	314,000
560	Social Services	9,868	9,916	7,694	1,007	11,500
570	Culture & Recreation	34,106	6,810	8,853	61,343	121,800
575	Cultural & Recreational Fac	3,194	2,960	4,980	3,123	10,000
576	Park Facilities	39,322	20,011	165,209	235,495	101,200
580	Non Expenditures	(39,326)	(93,026)	112,858	1,690	-
594	Capital Expenditures	38,583	89,138	81,970	-	-
597	Interfund Transfers	355,000	505,000	-	451,000	139,640
	Total Expenditures	2,800,865	3,090,199	2,854,910	3,572,681	3,103,260
	Revenues less expenditures	(380,895)	(485,022)	193,818	(135,652)	(59,650)
508	Ending Fund Balance Balance	1,190,778	698,176	891,994	756,341	696,691
	Ending Fund Balance as % of Expenditures	43%	23%	31%	21%	22%

Street Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	273,917	142,047	124,108	115,785	14,535
310	Taxes	177,497	182,419	185,467	185,000	186,850
320	Licenses & Permits	22,015	7,699	360	600	600
330	Intergovernmental Revenues	380,352	193,503	65,713	284,235	68,290
360	Misc Revenues	33,481	2,372	21,584	5,520	5,520
397	Interfund Transfers	-	150,000	-	253,000	139,640
	Total Revenues	613,346	535,993	273,125	728,355	400,900
542	Streets - Maintenance	322,890	292,814	220,743	449,234	345,900
543	Streets - Admin & Overhead	20,842	28,330	52,585	120,371	55,000
594	Capital Expenditures	398,336	232,788	8,119	260,000	-
	Total Expenditures	742,068	553,932	281,447	829,606	400,900
	Revenues less expenditures	(128,722)	(17,939)	(8,322)	(101,251)	-
508	Ending Fund Balance Balance	145,195	124,108	115,785	14,535	14,535

Stormwater Maintenance Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	1,209,323	1,400,295	1,534,020	1,640,120	1,635,864
330	Intergovernmental Revenues	48,289	5,899	36,464	-	-
340	Charges For Services	374,519	385,875	427,583	442,996	445,000
350	Fines & Forfeitures	805	725	596	2,148	2,000
360	Misc Revenues	17,418	7,762	-	-	-
	Total Revenues	441,030	400,261	464,644	445,144	447,000
538	Stormwater Operations	240,754	250,259	352,885	449,400	360,100
594	Capital Expenditures	6,079	16,277	-	-	-
	Total Expenditures	246,833	266,536	352,885	449,400	360,100
	Revenues less expenditures	194,197	133,725	111,758	(4,256)	86,900
508	Ending Fund Balance Balance	1,403,520	1,534,020	1,645,778	1,635,864	1,722,764

Water Maintenance Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	705,010	757,673	852,431	972,553	1,113,223
340	Charges For Services	713,775	761,370	804,041	840,227	882,000
350	Fines & Forfeitures	31,839	9,764	5,052	17,219	17,000
360	Misc Revenues	9,617	4,201	1,587	-	-
	Total Revenues	755,231	775,335	810,679	857,447	899,000
534	Water Utilities	660,772	656,029	690,558	716,776	813,550
594	Capital Expenditures	38,975	24,548	-	-	-
	Total Expenditures	699,746	680,577	690,558	716,776	813,550
	Revenues less expenditures	55,485	94,758	120,121	140,670	85,450
508	Ending Fund Balance Balance	760,495	852,431	972,553	1,113,223	1,198,673

Sewer Maintenance Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	284,591	361,939	401,696	523,096	662,504
340	Charges For Services	989,540	990,383	1,147,598	1,238,434	1,300,000
350	Fines & Forfeitures	4,750	1,631	3,573	12,770	12,000
360	Misc Revenues	4,173	2,061	-	-	-
	Total Revenues	998,463	994,075	1,151,171	1,251,204	1,312,000
535	Sewer	916,291	953,878	1,029,771	1,111,795	1,240,650
594	Capital Expenditures	2,808	440	-	-	-
	Total Expenditures	919,099	954,318	1,029,771	1,111,795	1,240,650
	Revenues less expenditures	79,364	39,757	121,400	139,409	71,350
508	Ending Fund Balance Balance	363,955	401,696	523,096	662,504	733,854

Water Capital Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	268,442	359,186	444,343	512,600	585,673
330	Intergovernmental Revenues	-	-	-	-	224,000
340	Charges For Services	85,441	83,110	68,257	73,073	73,100
360	Misc Revenues	5,303	2,047	-	-	-
	Total Revenues	90,744	85,157	68,257	73,073	297,100
594	Capital Expenditures	-	-	-	-	564,000
	Total Expenditures	-	-	-	-	564,000
	Revenues less expenditures	90,744	85,157	68,257	73,073	(266,900)
508	Ending Fund Balance Balance	359,186	444,343	512,600	585,673	318,773

Sewer Capital Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	322,718	332,647	334,470	334,470	334,470
340	Charges For Services	6,000	-	-	-	-
360	Misc Revenues	3,929	1,823	-	-	-
	Total Revenues	9,929	1,823	-	-	-
	Total Expenditures	-	-	-	-	-
	Revenues less expenditures	9,929	1,823	-	-	-
508	Ending Fund Balance Balance	332,647	334,470	334,470	334,470	334,470

Stormwater Capital Fund - 5 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	192,791	195,003	196,071	196,071	196,071
360	Misc Revenues	2,212	1,068	-	-	-
	Total Revenues	2,212	1,068	-	-	-
594	Capital Expenditures	-	-	-	-	196,000
	Total Expenditures	-	-	-	-	196,000
	Revenues less expenditures	2,212	1,068	-	-	(196,000)
508	Ending Fund Balance Balance	195,003	196,071	196,071	196,071	71

Drug Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Balances	5,093	6,677	6,677
	TOTAL REVENUES	1,584	-	1,000
	TOTAL EXPENDITURES	-	-	2,200
	REVENUES LESS EXPENDITURES	1,584	-	(1,200)
508 80 00 02	Ending Balance	6,677	6,677	5,477

Rainy Day Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Balances	123,465	123,465	321,465
	TOTAL REVENUES	-	198,000	-
508 80 01 05	Ending Balance	123,465	321,465	321,465

Capital Improvement Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Balances	627,969	642,610	418,170
310	Taxes	224,641	95,560	100,000
	TOTAL REVENUES	224,641	95,560	100,000
597	Interfund Transfers	210,000	320,000	315,000
	TOTAL EXPENDITURES	210,000	320,000	315,000
	REVENUES LESS EXPENDITURES	14,641	(224,440)	(215,000)
508 80 01 06	Ending Balance	642,610	418,170	203,170

Park Impact Fee Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Balances	109,632	136,680	136,680
310	Taxes	27,048	-	36,000
	TOTAL REVENUES	27,048	-	36,000
	TOTAL EXPENDITURES	-	-	-
	REVENUES LESS EXPENDITURES	27,048	-	36,000
508 80 01 10	Ending Balance	136,680	136,680	172,680

General Obligation Bond Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Balances	114,241	6,003	7,003
397	Interfund Transfers	210,000	320,000	315,000
591 73 71 25	GO Bonds - Principal	270,830	278,000	285,000
592 73 83 25	GO Bonds - Interest	47,408	41,000	34,000
	591 Debt Service	318,238	319,000	319,000
508 10 00 25	Ending Balance	6,003	7,003	3,003

Equipment Replacement Fund - 3 Year Comparative

<u>Account</u>	<u>Description</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>
308	Beginning Fund Balance	-	-	777,300
340 00 00 00	Charges For Services	-	818,500	124,200
594 10 64 00	Capital Outlay	-	41,200	126,800
508	Ending Fund Balance	-	777,300	774,700

2023 Capital Purchases – Proposed:

Police – replace 2015 Ford Explorer - \$47,500

Police – replace 2016 Ford Explorer - \$47,500

Public Works – replace 2003 Ford Ranger - \$31,800